



## **Tenant Purchase Requirements at time of Application to DHCD**

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1. Property Needs Assessment must be completed with a Seed Money Loan. The needs assessment will include the rehabilitation required to meet District Building Codes.
2. Development team must be selected at time of application for acquisition or construction financing. At minimum, this team must include a development consultant and an attorney committed to the project.
3. Other funding Sources must be identified, evidenced by Letter of Interest or Term Sheet.
4. If applicable, application for Bridge Financing and application for DHCD Loan shall be submitted simultaneously.
5. Tenant Association must be interviewed by DHCD staff.
6. Statement of Interest from Board of Tenant Association/Tenants must be submitted.
7. Repayment Strategy Required.
8. Board of Directors' Experience (may require development consultant or property manager to be a voting member of the Board for the first 5 years of co-op/condo operations.)
9. By-Laws and Board Succession Plan required.
10. Tenant Income Survey required. This must, at minimum, include all tenants participating in the tenants' association.
11. Certified Membership Statement and Payment of Annual dues, Board minutes, and attendance records must be submitted.
12. Evidence of Establishment of bank account by the tenant association.
13. The building must be 60% occupied or greater.
14. The building must include 25 units or more.
15. Past two years of annual rent rolls must be submitted.
16. Evidence that this is the best solution and that other options have been discussed and explored.
17. Submission of 40 year plan for the property which includes financial plan, management plan, board training plan, refinance plan, capital improvement strategy, marketing strategy, homeowner screening, training and education, rules and regulations.
18. Evidence of community support (ANC letter or other community support letters).
19. No existing residents may be forcibly displaced if Tenant Purchase moves forward.
20. Property Manager must be acceptable to DHCD at the time of closing.
21. Appraisal of property required by time of closing.
22. Primary residency required.
23. Affordable units can convert to market rate units, as needed, to keep co-op or condo running if subsidy is repaid, and upon approval by DHCD.
24. DHCD requires the utilization of the HUD definition of affordable housing when determining carrying charges. (HUD defines affordable housing as up to 30% of monthly income.) This may result in an increase of tenants' rents/carrying charges to these limits when asking for DHCD funds.

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